

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AGREED-UPON PROCEDURES ENGAGEMENT  
OF THE FORMER LAWRENCE COUNTY  
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2002  
Through November 7, 2003**



**CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS  
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**CRIT LUALLEN**  
**AUDITOR OF PUBLIC ACCOUNTS**

Independent Accountant's Report

Robbie Rudolph, Secretary, Finance and Administration Cabinet  
The Honorable James Heston  
Former Lawrence County Property Valuation Administrator  
Lawrence County, Kentucky 41230

We have performed the procedures enumerated below, which were agreed to by the Lawrence County Property Valuation Administrator, solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2002 through November 7, 2003. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Lawrence County Property Valuation Administrator. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the Property Valuation Administrator has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month.

Finding -

We determined that the former PVA, James Heston, did not maintain a receipts ledger or a disbursements ledger. The former PVA did maintain a checkbook, which listed his receipts, disbursements, and checkbook balance; however, he did not detail his transactions by maintaining a receipts and disbursements ledger. We recommend the current PVA, Gray Maynard, maintain a receipts and disbursements ledger for all transactions.

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

No exceptions were noted.



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The Honorable James Heston  
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(Continued)

3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Revenue Cabinet. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the Property Valuation Administrator's local bank account.

Finding -

Auditor traced payments from the Lawrence County Treasurer's list of budgeted statutory payments made to the PVA for the period July 1, 2002 through November 7, 2003, and our test found that the fiscal court owes the Lawrence County PVA an additional \$400 for FYE June 30, 2003. We recommend the current PVA, Grey Maynard, ask the fiscal court to pay this \$400 to his current operating account.

4. Procedure -

Select a sample of disbursements from available Property Valuation Administrator's records and agree amounts to cancelled checks, paid invoices, or other supporting documentation. Determine if the expenditure is for official business.

Finding -

The former PVA, James Heston, did not keep copies of paid invoices in his office. Also, be aware that copies of visa statements are not considered vendor invoices. We recommend the current PVA, Grey Maynard, maintain copies of all paid invoices in an organized manner.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets.

Finding -

The former PVA, James Heston, did not keep copies of paid invoices for capital outlay disbursements such as computer equipment, office equipment, and computer software in his office. We recommend the current PVA, Grey Maynard, maintain copies of all paid invoices in an organized manner.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

No exceptions were noted.

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(Continued)

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Property Valuation Administrator and the Department of Revenue and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen  
Auditor of Public Accounts

Engagement fieldwork completed -  
January 21, 2004



